BBB Military Line®

Briefing for AFCPE 2007 DoD Pre-Conference

By Holly Petraeus, Director, BBB Military Line
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BBB History

- Founded in 1912, the nation's oldest non-profit, business self-regulatory organization
- War Savings Protection Program created in 1945
- BBB Military Line® created in 2003
- For 95 years, the BBB has:
  - Established codes of business conduct
  - Handled consumer complaints
  - Issued factual reports on businesses and charities
  - Set standards for truthful advertising

The BBB Today

- 164 offices near every major population center – and most military installations – in the United States
- 105 million total instances of consumer service in 2006:
  - Business Reliability Reports
  - Charity Reports
  - Consumer Information
  - Dispute Resolution
  - BBB Online

BBB Military Line Milestones

- MOU with DOD Financial Readiness Campaign Feb 03
- MOUs w/ Army Jul 03, Navy Aug 06, Air Force Jul 07
- Justice Dept. grant in partnership w/ BGCA 2004 – 2007

Why A BBB Military Program?

- Military Consumers a Targeted Group:
  - Predatory lending
  - ID theft while deployed
  - Auto loans at punitive rates
  - Affinity marketing
  - Scams

BBB Has the Marketplace Knowledge to Help

Investment Scams

- **United World Exchange**
  - Iraqi Dinar sales
  - 184 complaints of non-delivery in 1 year
  - Illinois Attorney General filed suit in June 2007
  - BBB rating - Unsat

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Ponzi Schemes

- **Capital Consortium Group/3 Hebrew Boys**
  - Unregistered securities dealers
  - Marketed to churches and military
  - Secrecy – non-disclosure form
  - Promises - $2,625 to become $100K in 16 months!
  - Indicted 9/11/07 by South Carolina grand jury

Rip-offs on the Web

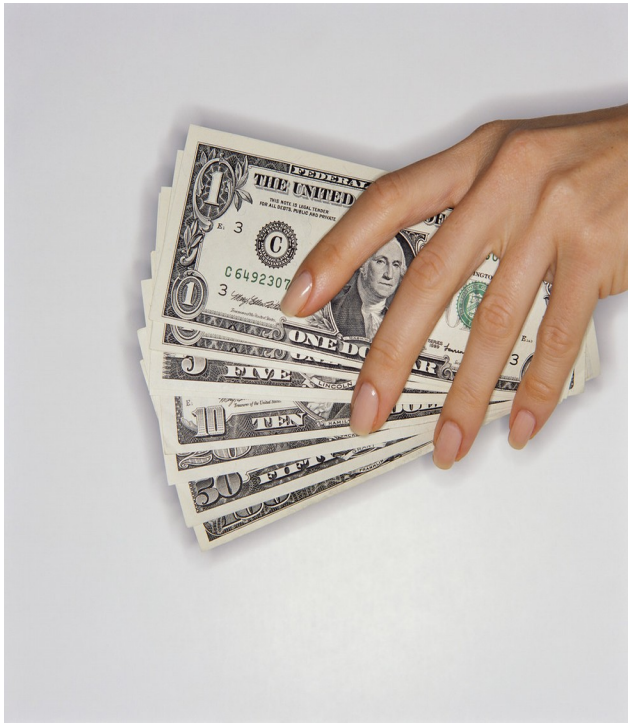
- **The Military Company**
  - Military ribbon sets
  - 150+ complaints of non-delivery in 1 year
  - Postal Inspection Svc investigating
  - BBB rating - Unsat

Pyramid Schemes

- **Wealth Pools International**
  - "Multi-level Marketing Plan" or "Matrix Plan" selling language learning systems
  - Sellers must buy each system @ $200, make $10 per sale unless they recruit more sellers
  - Complaints in Florida and Fort Buchanan, Puerto Rico area
  - BBB rating Unsatisfactory

Military Charity Scams

- ABC News Report on 11/9/07 that donations are not reaching wounded vets
- Reminder – BBB has reports on 1,200 national charities and 5K local charities
- Look it up before you give!



What Is BBB Military Line Doing About Scams?

- **On the Web:**
  - Breaking news and alerts
  - Electronic newsletters by subscription
  - Access to BBB reliability reports
  - Online complaint submission
  - Data analysis (25K military complaints in 2006; 45K so far in 2007)

In Your Community

- Briefings
- Consumer Workshops
- Business codes of ethics
- Armed Forces Disciplinary Control Board member
- Coordination with on- and off-base consumer, legal and family assistance offices

The Bad Guys Don't Always Look Like This

Which is why you need to check them out with the BBB! www.bbb.org/military

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